

## **DEVELOPMENT MANAGEMENT – PRE-APPLICATION CHARGES**

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**Portfolio:** Planning

**Wards Affected:** All

### **Purpose of the Report:**

To review the charging structure for pre-application advice for planning applications, following the introduction of charges in 2021.

### **Recommendations:**

Cabinet to recommend that Council:

1. agree the revised charging structure, as set out in Appendix 3, from 1 April 2024

## **1. Summary**

- 1.1 The Council introduced a charging structure for pre-application advice in 2020 which has been operating since April 2021.
- 1.2 At the time of introducing the charges, it was agreed that enquiries relating to the following would be free:
- householders,
  - small scale developments (Residential development of between 1 or 2 dwellings or less than 0.2 Hectare;
  - non-residential development of less than 250 sq m floorspace or 0.5 Hectare;
  - Adverts,
  - Change of use,
  - Advice relating to trees,
  - Advice relating to listed building considerations;
  - Prior notifications relating to:
    - Telecommunications,
    - Agricultural buildings / works
    - All Part 3 prior notifications (Class C, J, M, N, O, P, Q, R, S, T)
- 1.3 The national fees for planning applications have recently been updated and taking account of the recently agreed Joint Commercialisation Strategy and the current consideration of the Charging Policy, it is considered appropriate to review our charges for pre-application advice as a consequence.
- 1.4 We are also currently undertaking a review of our Development Management service including how we deliver our pre-application service.

## **2. Background**

- 2.1 The development management function is a key statutory role for the Council as the Local Planning Authority (LPA) for its area. Planning fees are generated for most planning applications and for the discharge of conditions.
- 2.2 The fees for planning applications are set nationally by Government at a level designed to enable councils to recover a proportion of the costs of processing those applications and have recently been updated.
- 2.3 The provision of pre-application advice is a discretionary service which the Council offers, however the Government has long advocated the benefits of a pre-application service, in terms of improving the quality of applications (and development), enabling early local engagement and speeding up the process of determination by identifying and resolving contentious issues.
- 2.4 The current charges were introduced in 2021 (see appendix 1) and have been increased by inflation each year.

3.5 The current charging structure does not recover the full cost of delivering this discretionary service.

### **3. Current positions/findings**

3.1 Appendix 2 sets out the number of enquiries which have been received on an annual basis, together with the income which has resulted from them.

3.2 On average Broadland LPA receives a total of 60 pre application enquiries a month (approximately 700 to 760 a year), regarding whether a proposal is likely to receive planning permission or not. This has resulted in an average income of £22,000. However, this fee income is only attributable to the larger scale developments which account for on average 5% of the total number of enquiries (around 35 out of 700 enquiries). We respond to the remaining enquiries free of charge, which is a considerable workload with no cost recovery.

3.3 Members will also be aware that a number of new measures have been introduced which applicants will need to address in their submitted planning application. This includes addressing Nutrient Neutrality (NN), Green Infrastructure and Recreational Avoidance Mitigation (GIRAMS) together with Biodiversity Net Gain (BNG).

3.4 This has increased the importance of providing pre-application advice, but has also resulted in it taking longer for Officers to provide the wide range of information an applicant will need to submit to ensure that their proposal is considered in a timely manner.

3.5 It is proposed to continue to provide initial high-level advice and permitted development advice to customers free of charge, both on the phone and in person in the office. However, to enable a more comprehensive response that involves further research or the input from a range of officers / consultees, it is proposed to review the range of charges for the pre-application advice.

3.6 It is also proposed to retain the current pre-application fee structure, as it is well embedded and simple for customers to understand. Alternatives have been considered, such as a percentage of the future planning fee, however enquiries frequently seek an opinion on a range of options which makes calculating the fee in this manner time consuming and confusing.

3.7 In addition, the fee will include follow up discussions / meetings as appropriate without a further fee.

3.8 To provide an indication of potential income associated with a broader range of pre application charges, Members are advised that if charges had been introduced for all categories from 2021 (see appendix 2) an additional income of £146,883 would have been achieved, giving a total of £213,301 rather than £66,418.

#### **4. Proposed action**

- 4.1 National planning application fees have been increased (35% for major applications and 25% for all others) with effect from 6 December 2023.
- 4.2 As outlined above, the complexity of advice required to be provided to applicants has also increased the time it takes to respond to pre-application enquiries. It is considered appropriate to recover the costs of this discretionary service to provide comprehensive advice to applicants.
- 4.3 To establish the proposed charges, Officers have used results from previous time monitoring and estimated the additional time now being taken. Officers have also considered a comparison to a percentage of planning application fees; pre-application fees charged by the neighbouring planning authorities, together with considering the recently introduced increases by Government for planning applications. From this, it is proposed to follow the national increase of 25% and 35% which it is considered are proportionate to the work involved and will recover the costs of providing this service. The proposed fees are set out in Appendix 3.
- 4.4 Using the number of enquiries submitted over the last 2 financial years and for 2023 to date, appendix 4 sets out the income which could be generated by category using the proposed fees. It should be acknowledged that by introducing a broader range of pre application fees some developers may not use the paid for service and go straight to submitting a planning application.
- 4.5 On this basis, the pre-application service could generate an annual income of £120,000 compared to the current average of £22,000. However, in reality less enquiries will be made and we estimate that this could be between £80,000 and £100,000.
- 4.6 The current “majors” category applies to all developments over 50 dwellings. Within the district there are a number of strategic sites where it is considered that this category does not currently reflect the cost of the work required to provide pre application advice. These proposals require an approach which engages a wider group of consultees and stakeholders to enable us to respond fully and will involve several meetings. It is therefore recommended that the current Major category is amended to relate to developments of 50 to 200 dwellings. Above this a bespoke fee will be negotiated or a Planning Performance Agreement (PPA) will be entered into.
- 4.7 The main purpose of a PPA is to provide a framework regarding the process for considering a major development proposal that is voluntarily agreed between the Local Planning Authority and the applicant. There is no standard PPA that will fit all circumstances. Each PPA and the processes and steps it sets out will alter according to the number and complexity of the issues to be considered. Therefore, the form and content of the PPA will likewise be more complex for proposals that have a greater number of issues to consider and a greater number of parties involved. Accordingly the fee associated with each PPA will be bespoke. As a

general principle the agreement should be as simple as possible, consistent with a proportionate approach to the scale of the proposal and complexity of the issues raised. It will usually be agreed by way of a memorandum of understanding rather than as a legally binding contract. It is anticipated that the likely fee of a PPA will, depending on complexity, sit between £6,000 and £15,000

## 5. Other options

- 5.1 The Council could consider using the current charging structure subject to annual inflation, or could choose to retain the current free categories and increase the fee of the other categories as suggested.
- 5.2 Alternately the council could introduce a new scale of fees based on a percentage of the future planning application fee. This becomes very complicated to calculate at pre-application stage as the customer is generally seeking to explore a range of options. This is why we adopted the current structure to allow this flexibility while providing a clear framework for the fees.

## 6. Issues and risks

- 6.1 Service standards may not rise to the level expected for a paid-for service. It should be acknowledged that agents/developers may choose not to use this paid-for service, but the risks associated with this will hopefully be mitigated with regular developers/agents forum meetings to encourage the use of this service, outlining the benefits of doing so, as already detailed in this report. If an agent/developer submits a scheme without the appropriate fee, it will not be dealt with as this will be a compulsory fee.
- 6.2 **Resource Implications** – the service currently provides a pre-application service and the implementation of updated charges should be capable of delivering an improved service with current resources as it is anticipated that there will be a reduction in the number of small scale enquiries.
- 6.3 **Legal Implications** – None directly arising from this report.
- 6.4 **Equality Implications** – The service will be available to all customers, however it is proposed that there will be exemptions for the following :
- Adaptations for disabled people will be free
  - Enquiry relating to a refused or withdrawn planning application will be free
  - Follow up enquiry within 6 months of the original will be free

And reduced fees for:

- Parish Councils, Charities, Voluntary Groups, exception affordable housing sites would only pay 50% of the pre-application fee

6.5 **Environmental Impact** – The provision of pre application advice helps to improve the quality of planning application submissions.

6.6 **Crime and Disorder** – pre-application advice will comment on design and layout which will help reduce crime and disorder

6.7 **Risks** – No

## 7. **Conclusion**

7.1 Given the time since pre-application charges were introduced, the revision to statutory planning application fees and the increased complexity of pre-application advice it is considered that it is appropriate to review the charges.

7.2 The proposed increases are proportionate and are on a cost recovery basis. The increase in fees will help to recover costs, potentially reduce demand from some of the high volume categories allowing more resource to be focused on the more complex enquiries. This will result in being able to better meet demand and improve the service offered

## 8. **Recommendations**

Cabinet to recommend that Council:

1. agree the revised charging structure, as set out in Appendix 3, from 1 April 2024